



# Nasdaq Calypso

## Collateral - Cover Distribution

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February 2024

Approved

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### *Document History*

Revision	Published	Summary of Changes
1.0	February 2024	First revision for version 18

**This user guide refers to the Cover Distribution portion of Calypso's standalone Collateral Management module.**

**For any information on configuring margin call contracts, please refer to Calypso Collateral Management documentation.**

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# 1. Cover Distribution

Cover Distribution is the process of allocating clients/members collateral to cover liabilities. Collateral assets that have been deposited are allocated to cover exposures using a defined set of rules, rather than a linear programming algorithm. Cover Distribution includes the identification of which assets are used or unused, any excess collateral and whether a collateral call needs to be generated to cover any shortfall.

The menu actions pertaining to Cover Distribution are:

Cover Distribution Manager: `collateral.clearing.CoverDistributionManager`

Clearing Member Configuration window: `refdata.clearing.ClearingMemberConfigWindow`

Liability Group Configuration window: `refdata.clearing.LiabilityGroupContextWindow`

## 1.1 Using Cover Distribution

The first thing that you must do in order to use Cover Distribution is to set up a Deposit contract. The member firm deposits a pool of assets with the clearing house using this deposit contract. This pool of assets is then used to cover exposures. The Deposit contract enables you to specify certain parameters and rules regarding the collateral that is held in the deposit account. Assets are deposited into a deposit account using a margin call trade.

Once the Deposit contract has been established, a liability contract can be created which is then linked to the deposit contract. These two contracts have a parent/child relationship. The liabilities are contained in the liability contract. Cover distribution allocates the assets from the deposit account to the liability accounts to cover the exposures using the optimization algorithm.

## 1.2 Contract Definition

The Deposit and Child contracts are created in the Clearing Member Configuration window. This window is similar to the Margin Call window but there are some added features pertaining specifically to cover distribution.

Clearing Member Configuration - Version - 0 (User: calypso)

Clearing Member Config Util Help

Edit Browse

Name : Child Account 1 15300 0 Subtype : Child

Description : Child Account 1 Parent : 14800

Parties Details Dates & Times Additional Info Eligible Currencies Concentration Clearing Services Call Preferences Cover Preferences Eligibility Exclusions Optimization Child Configurations

Selection of pricing environment for intraday and end of day processing.

Designate Deposit or Child contract. If Child, specify parent (Deposit) contract.

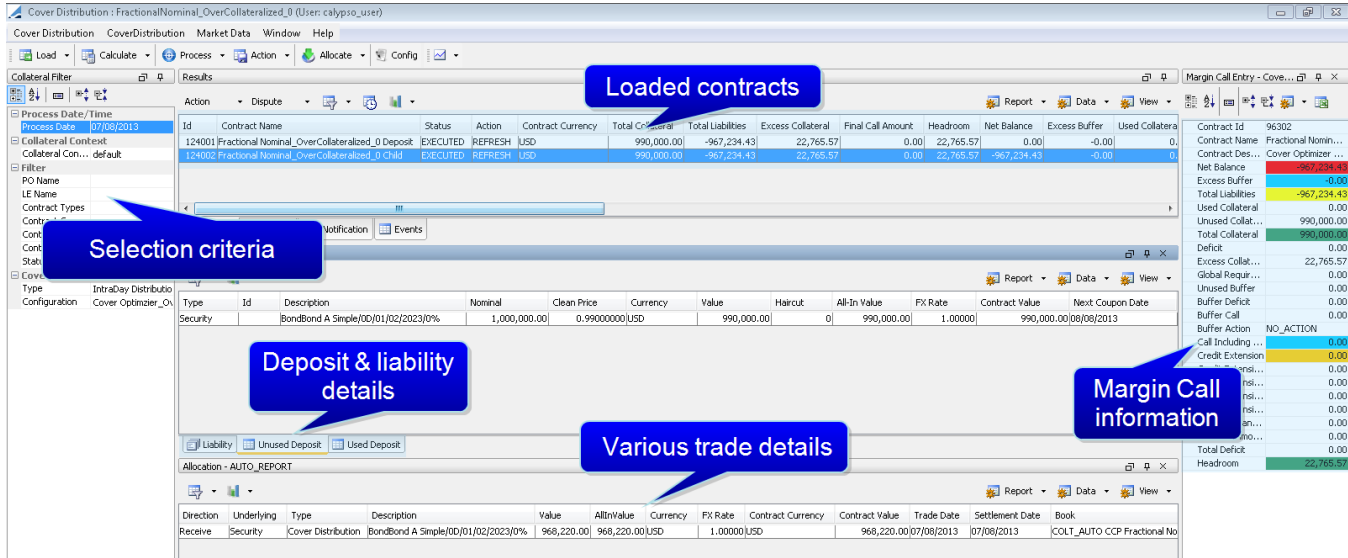
Call generation information pertaining to the contract

Perimeter	CashCommodity,Bond,Cash
Products	
Products Filter	
Books	
Currencies	ANY
Exposure Types	
Start Date	02/04/2013
End Date	02/01/2016
Effective Date	TRADE DATE
Details	
Status	OPEN
Contract Type	AFB
Contract Direction	BILATERAL
Secured Party	ProcessingOrg
Rehypothecable Collateral	
End Of Day Pricing Environment	OFFICIAL
Intraday Pricing Environment	INTRADAY
Include End Date Exposure	
Rounding before MTA	
Position Type	THEORETICAL
Position Date	POSITION_DATE_DEFAULT
Haircut	
Haircut Rule	
Haircut Type	Regular
Exclude Trade Haircut	
Warning Limits & Adjustments	
Warning	0
Minimum Adjustment	0
Maximum Adjustment	0
Trade Level Dispute	
Dispute Tolerance	0
Contract Level Dispute	
Dispute Tolerance	0
Method	NONE
Response Time	
Response Time Zone	America/New_York
Alternative Procedure	NONE
Resolution Time	
Resolution Time Zone	America/New_York
Default Book	
Book	BONDS_NEWYORK
Set Default Book	
Call Generation	
Generate a Call	
Excess Buffer Requirement	20,000
Excess Buffer Auto-Call	
Use Credit Extension	

The fields and panels displayed above are described in the section "Defining Margin Call & Clearing Member Contracts".

## 1.3 Cover Distribution Manager

The major portions of the Cover Distribution Manager are highlighted below.

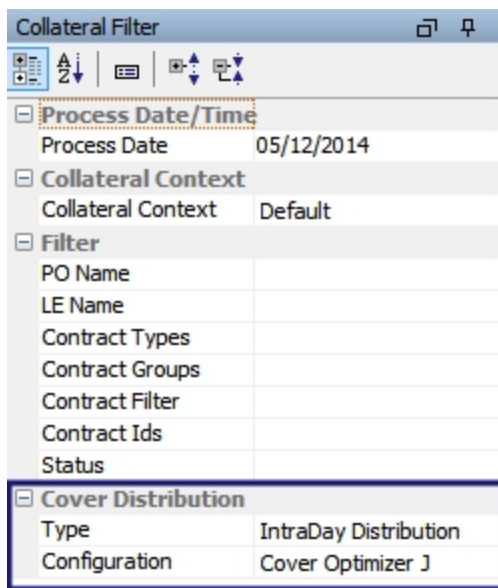


The screenshot displays the 'Cover Distribution: FractionalNominal\_OverCollateralized\_0' window. The interface includes a 'Collateral Filter' panel on the left with 'Process Date' set to 07/08/2013. The main 'Results' panel shows a table of loaded contracts with columns for Id, Contract Name, Status, Action, Contract Currency, Total Collateral, Total Liabilities, Excess Collateral, Final Call Amount, Headroom, Net Balance, Excess Buffer, and Used Collateral. Below this is the 'Underlyings' panel showing details for a 'BondBond A Simple' contract. At the bottom, there are panels for 'Liability', 'Unused Deposit', and 'Used Deposit'. On the right, a 'Margin Call Entry' panel shows various margin call details. Callouts point to specific areas: 'Loaded contracts' points to the Results table; 'Selection criteria' points to the Collateral Filter; 'Deposit & liability details' points to the Liability/Deposit panels; 'Various trade details' points to the Underlyings table; and 'Margin Call information' points to the Margin Call Entry panel.

- » The selection criteria is used to filter the clearing member contracts to load as well as selecting the type of cover distribution you would like to perform (intraday or end of day) and the Optimization Configuration to use. The pricing environments used for either type of distribution are designated in the Clearing Member Contract.
- » Clearing member contracts are loaded in the results panel and the associated trades are loaded in the Underlyings panel below.
- » The Underlyings panel allows you to view the actual margin call details.
- » The Used Deposit and Unused Deposit panels are the same whether the parent or the child contract is selected above.
- » The Liability panel displays the liabilities on the contract.

## 1.4 Executing a Cover Distribution

**Step 1** - Before you load cover distribution contracts, designate filter criteria in the right panel. This criteria may include a variety of things but it must include the type of cover distribution that is desired, either intraday or end of day. The search criteria options are described below. You can also select **File > Load Template** to load pre-defined search criteria.



The screenshot shows the 'Collateral Filter' window with the following sections:

- Process Date/Time**: Process Date: 05/12/2014
- Collateral Context**: Collateral Context: Default
- Filter**:
 

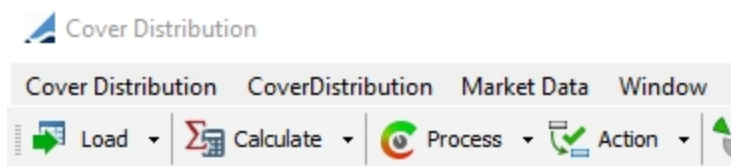
PO Name	
LE Name	
Contract Types	
Contract Groups	
Contract Filter	
Contract Ids	
Status	
- Cover Distribution**:
 

Type	IntraDay Distribution
Configuration	Cover Optimizer J

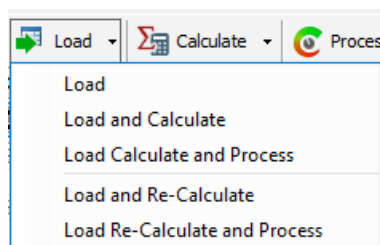
Distribution Type selections are populated from two domain values, one for Final Distribution (*Collateral.CoverDistribution.Type.Final*) and one for Intraday Distribution (*Collateral.CoverDistribution.Type.Intraday*). Through these domain values, you may configure custom distribution types.

You may display only Intraday distribution types by inputting the desired types in the *Collateral.CoverDistribution.Type.Gui.Intraday* domain value. If data is in this domain value, it takes priority over the other domains.

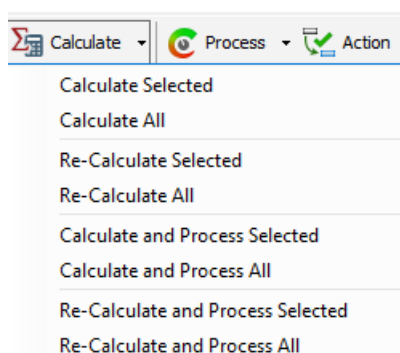
**Step 2** - After search criteria and templates have been selected, you may then load, calculate and/or process the contracts. When any of these buttons is selected, nothing is saved to the database unless a workflow action is executed. A workflow action can be tied to each of these buttons through the Collateral Context window. A workflow action can also be manually executed by clicking the Action drop-down and choosing the desired action. The choices in the list vary depending on the current contract status.



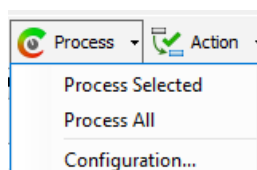
- **Load**: Loads contracts from the database



- **Calculate:** Positions are loaded and priced from underlying trades, liability and headroom are computed









- **Process:** Cover distribution is done and proposed margin calls are generated, apply the action EXECUTE to create the margin call trades




From the Process menu, you may also open the Optimization Configuration window by selecting *Configuration*.

**Step 3** - The Margin Call Entry area on the right side of the screen can be configured to display the details of the cover distribution. Some of the relevant details viewable in this area are:

- **Headroom** - the difference between the total collateral and the real liabilities, which is the total liabilities without the excess buffer
- **Excess Buffer** - designated in the Clearing Member Contract
- **Excess Collateral** - the total collateral minus the total liabilities
- **Total Collateral**- total collateral value (in contract currency) available to cover the liabilities
- **Total Liabilities** - the sum of the liabilities which have to be covered
- **Unused Collateral** - the value (in contract currency) of the unused collateral position
- **Used Collateral** - the value (in contract currency) of the collateral used to cover positions
- **Final Call Amount** - the value of the call generated expressed in contract currency

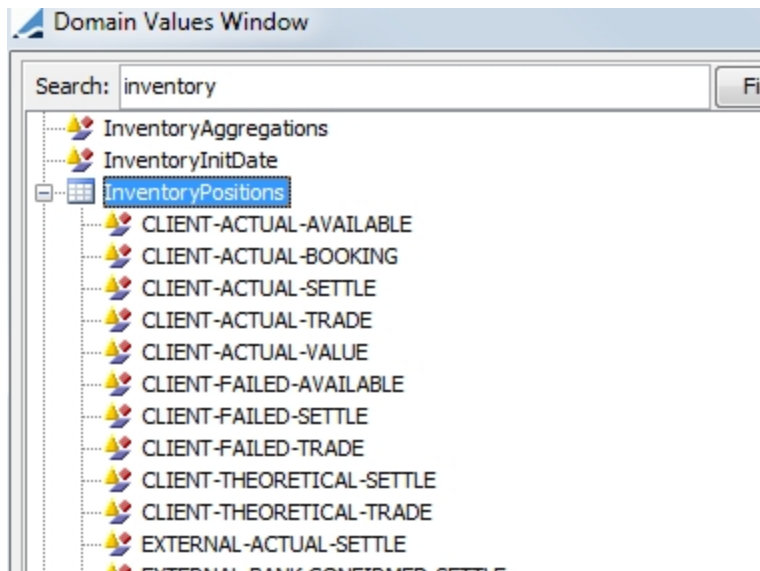
Margin Call Entry - default		⏏ ⌵ ✕
<div>       </div>		Action
Contract Description	MST-House-Liability2	
Constituted Mrg		-150,000.00
Excess Buffer		-50,000.00
Total Liabilities		-200,000.00
Used Collateral		153,063.83
Unused Collateral		855,222.09
Total Collateral		1,008,285.92
Excess Collateral		808,285.92
Prev Sec Mrg		119,939.03
Prev Cash Mrg		33,124.80
Total Prev Mrg		153,063.83
Global Required Mrg		0.00
Buffer Action	NO_ACTION	
Buffer Call		0.00
Buffer Deficit		0.00
Call Including Buffer		0.00
Unused Buffer		50,000.00
Credit Extension		100,000.00
Credit Extension Used		0.00
Credit Extension Unused		100,000.00
Credit Extension Call %		75.00
Credit Extension Used %		0.00
Deficit		0.00
Total Deficit		0.00
Headroom		958,285.92
Final Call Amount		0.00

Information displayed in this area can be configured by clicking .

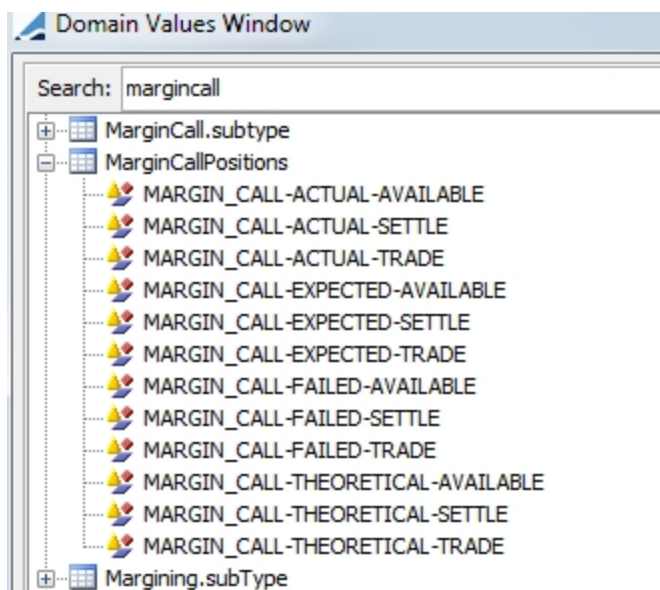
**Step 4** - The details area at the bottom of the window displays various information about the cover distribution such as allocation information, liability details, as well as used and unused deposit amounts. Some of these panels are described below.

NOTE: The information in the Used Deposit and Unused Deposit panels is the same regardless of whether you have selected the deposit or child contract in the table above. The Allocation, Liability, and Underlyings panels will display different information for the deposit and the liability contract.

Which inventory positions are generated is controlled through the *InventoryPositions* domain value.



Which margin call positions are generated is controlled through the *MarginCallPositions* domain value.



NOTE: The subtype of a Cover Distribution trade is controlled by the *CoverDistribution.subType* domain. The default domain value is *CoverDistribution*. If no domain value is specified, the product subtype is set as *COLLATERAL* or *SECURITY*, depending on the transfer type.

NOTE: Security and Cash position rounding can be controlled with the following two domains:

*Collateral.Position.CashPrecisionRounding*

*Collateral.Position.SecurityPrecisionRounding*

### 1.4.1 Allocation Panel

Trade Ids indicate that the cover distribution has been executed

Margin call

Recalled from previous intraday cover distributions

Trade Id	Direction	Liability Name	Type	Description	AllInValue	Currency	FX Rate	Contract
85438	Receive	Contract	Cash	Margin	84,125.15	GBP	1.00000	GBP
85439	Pay	Contract	Cash	Cover Distribution Recall	-750,000.00	GBP	1.00000	GBP
85443	Receive	SwapClearUK_EUR	Cash	Cover Distribution	1,042,487.75	GBP	1.00000	GBP
85441	Receive	SwapClearUK_GBP	Cash	Cover Distribution	1,000,000.00	EUR	0.80645	GBP
85442	Receive	SwapClearUK_GBP	Cash	Cover Distribution	1,466,548.39	GBP	1.00000	GBP
85444	Receive	SwapClearUK_USD	Cash	Cover Distribution	240,963.86	GBP	1.00000	GBP
		SwapClearUS_USD	Security	Cover Distribution	638,000.00	USD	0.6024	GBP

Liability groups

Current distributions

Underlyings Allocation Details History Concentration Netted Allocation Used Deposit Unused Deposit Liability Netted Positions

### 1.4.2 Used Deposit Panel

Used Deposit

Type	Id	Description	Nominal	Clean Price	Currency	Value	Haircut	All-In Value	FX Rate	Con
Cash		GBP	-36,215,107.14		GBP	-36,215,107.14	0	-36,215,107.14	1.00000	-36,215,107.14
Cash		USD	-9,793,940.74		USD	-9,793,940.74	0	-9,793,940.74	0.6024	-5,900,000.00
Cash		EUR	-2,258,750.00		EUR	-2,258,750.00	0	-2,258,750.00	0.80645	-1,820,000.00
Security		BondUKT 4 03/07/22/0D/03/07/2022/4%	-9,016,200.00	0.9989600000	GBP	-9,043,083.96	0	-9,043,083.96	1.00000	-9,043,083.96
Security		Bond US TREASURY /10Y/05/15/2021/3.125%	-3,000,000.00	1.00350000	USD	-3,049,087.71	0	-3,049,087.71	0.6024	-1,830,000.00

Collateral that has been used to cover liabilities

### 1.4.3 Unused Deposit Panel

Unused Deposit										
Type	Id	Description	Nominal	Clean Price	Currency	Value	Haircut	All-In Value	FX Rate	Contract
Cash		GBP	46,215,107.14		GBP	46,215,107.14	0	46,215,107.14	1.00000	46,215,107.14
Cash		USD	14,793,940.74		USD	14,793,940.74	0	14,793,940.74	0.6024	8,900,000.00
Cash		EUR	6,258,750.00		EUR	6,258,750.00	0	6,258,750.00	0.80645	5,000,000.00
Security		BondUKT 4 03/07/22/0D/03/07/2022/4%	14,016,200.00	0.9989600000	GBP	14,057,992.65	0	14,057,992.65	1.00000	14,057,992.65
Security		Bond US TREASURY /10Y/05/15/2021/3.125%	4,500,000.00	1.00350000	USD	4,573,631.56	0	4,573,631.56	0.6024	2,750,000.00

Collateral that remains in the deposit account, available to cover liabilities

### 1.4.4 Liability Panel

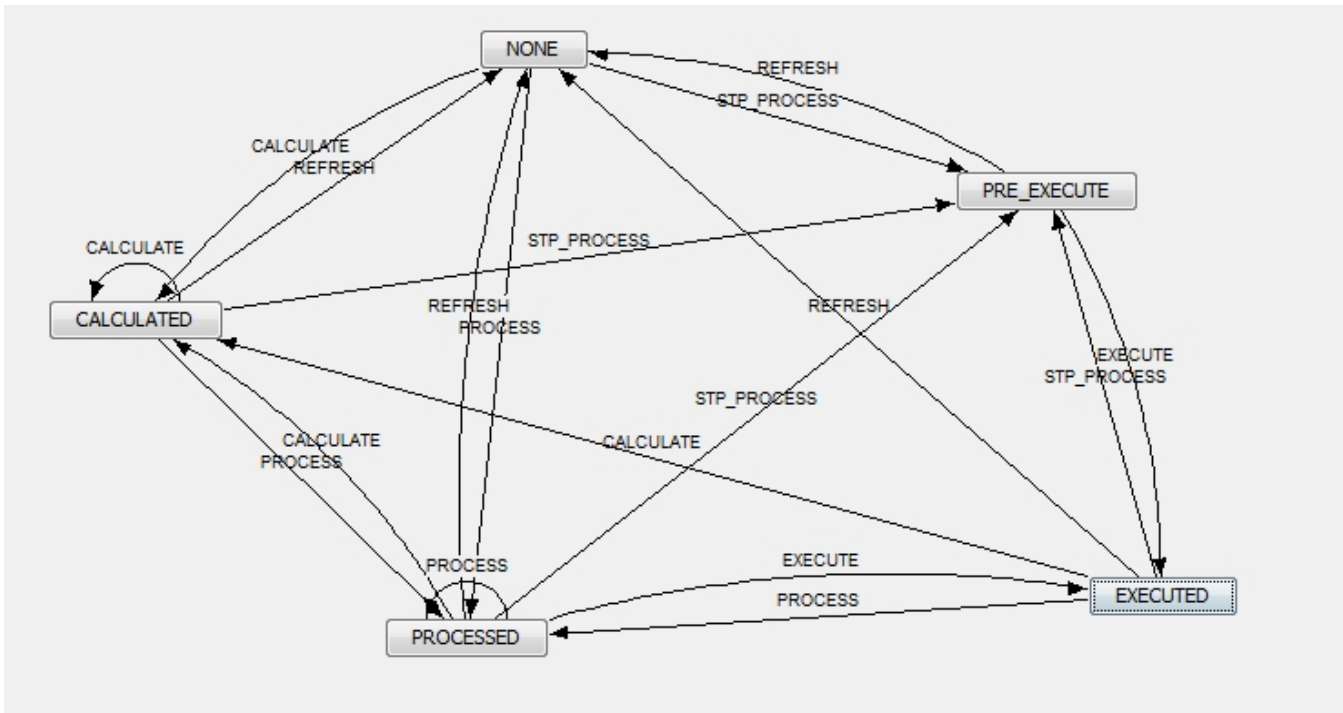
Liability Groups										
Type	Liability Configuration	Status	Description	Currency	FX Rate	Contract Value	Covered Value			
Liability Group	ExcessBuffer	Priced	Liability /ExcessBuffer/GBP/-2000.0	GBP		-2,000.00	2,000.00			
Liability Group	RepoClearUK	Priced	Liability /RepoClearUK/GBP/-4838000.0	GBP		-4,838,000.00	0.00			
Trade	RepoClearUK	Priced	CollateralExposureInitial Margin/GBP/01/04/2013/OPEN	GBP		-2,117,000.00				
Trade	RepoClearUK	Priced	CollateralExposureCVM/GBP/02/01/2013/OPEN	GBP		-1,900,000.00				
Trade	RepoClearUK	Priced	CollateralExposureCVM/GBP/01/04/2013/OPEN	GBP		-821,000.00				
Liability Group	RepoClearUS	Priced	Liability /RepoClearUS/USD/-1.144200001E7	USD		-11,442,000.01	6,892,771.09			
Trade	RepoClearUS	Priced	CollateralExposureInitial Margin/USD/01/04/2013/OPEN	USD		-4,651,204.82				
Trade	RepoClearUS	Priced	CollateralExposureCVM/USD/01/04/2013/OPEN	USD		-2,241,566.27				
Liability Group	SwapClearUK	Priced	Liability /SwapClearUK/EUR/-8223999.99	EUR		-8,223,999.99	6,632,258.06			
Trade	SwapClearUK	Priced	CollateralExposureInitial Margin/EUR/01/04/2013/OPEN	EUR		-6,632,258.06				
Liability Group	SwapClearUK	Priced	Liability /SwapClearUK/GBP/-1.2821E7	GBP		-12,821,000.00	12,821,000.00			
Trade	SwapClearUK	Priced	CollateralExposureInitial Margin/GBP/01/04/2013/OPEN	GBP		-12,821,000.00				
Liability Group	SwapClearUS	Priced	Liability /SwapClearUS/GBP/-277000.0	GBP		-277,000.00	277,000.00			

## 1.5 Cover Distribution Workflow

There is no default workflow supplied with the Collateral Management module. Below is an example of a basic cover distribution workflow. The workflow supports standard Calypso workflow features.

Id	Orig Status	Action /	Resulting Status	Different User	Use STP	Priority	Log	Subtype	Product Type	Rules	Processing C
74697	CALCULATED	CALCULATE	CALCULATED	<input type="checkbox"/>	<input type="checkbox"/>	0	<input type="checkbox"/>	ALL	ALL		ALL
74703	EXECUTED	CALCULATE	CALCULATED	<input type="checkbox"/>	<input type="checkbox"/>	0	<input type="checkbox"/>	ALL	ALL		ALL
74696	NONE	CALCULATE	CALCULATED	<input type="checkbox"/>	<input type="checkbox"/>	0	<input type="checkbox"/>	ALL	ALL		ALL
74701	PROCESSED	CALCULATE	CALCULATED	<input type="checkbox"/>	<input type="checkbox"/>	0	<input type="checkbox"/>	ALL	ALL		ALL
73728	PRE_EXECUTE	EXECUTE	EXECUTED	<input type="checkbox"/>	<input checked="" type="checkbox"/>	0	<input type="checkbox"/>	ALL	ALL	Execute	ALL
73727	PROCESSED	EXECUTE	EXECUTED	<input type="checkbox"/>	<input type="checkbox"/>	0	<input type="checkbox"/>	ALL	ALL	Execute	ALL
74702	CALCULATED	PROCESS	PROCESSED	<input type="checkbox"/>	<input type="checkbox"/>	0	<input type="checkbox"/>	ALL	ALL		ALL
75197	EXECUTED	PROCESS	PROCESSED	<input type="checkbox"/>	<input type="checkbox"/>	0	<input type="checkbox"/>	ALL	ALL		ALL
75196	NONE	PROCESS	PROCESSED	<input type="checkbox"/>	<input type="checkbox"/>						
74704	PROCESSED	PROCESS	PROCESSED	<input type="checkbox"/>	<input type="checkbox"/>						
74699	CALCULATED	REFRESH	NONE	<input type="checkbox"/>	<input type="checkbox"/>						
73742	EXECUTED	REFRESH	NONE	<input type="checkbox"/>	<input type="checkbox"/>						
73738	PRE_EXECUTE	REFRESH	NONE	<input type="checkbox"/>	<input type="checkbox"/>						
73741	PROCESSED	REFRESH	NONE	<input type="checkbox"/>	<input type="checkbox"/>						

Any transition which results in EXECUTED status requires the Executed rule.



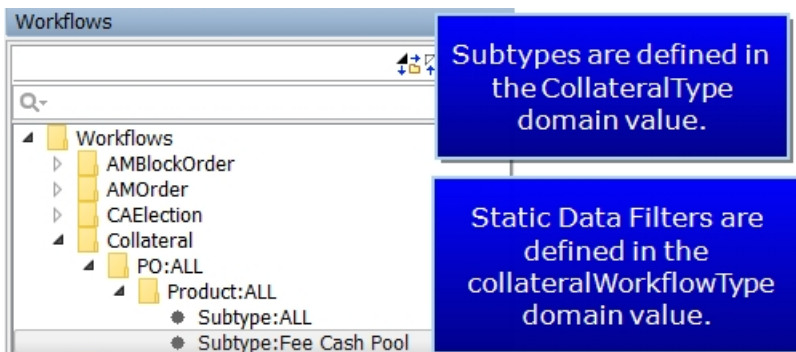
You may add or edit workflow rules to suit your business purposes.

- » Workflow rules are listed under the domain value *workflowrulecollateral*
- » Workflow statuses are listed under the domain value *CollateralStatus*
- » Workflow actions are listed under the domain value *CollateralAction*
- » You may create custom collateral workflow rules by selecting Collateral in the Type field of the Custom Workflow Rule window.
- » If a rule applies at all transitions in the workflow, you may add the rule to the domain *mandatoryCollateralrule*. Rules added to this domain value apply to each transition of the collateral workflow automatically rather than the rule needing to be added to each transition.

- » Each action button in the Cover Distribution Manager can be tied to a collateral workflow action. This can be set up using the Collateral Context window. Please refer to the documentation on that window for details.
- » A static data filter can be applied to the entire workflow. The filter must have the suffix *\_collateralWorkflow*. This filter needs to be designated in the *collateralWorkflowType* domain value. When entering it in the domain, omit the *\_collateralWorkflow* suffix. For example, if the filter is called *MyFilter\_collateralWorkflow*, the domain value is just *MyFilter*. You must also add the same domain value to the *CollateralType* domain.

**Example:**

- Create a static data filter *Mccld1234\_collateralWorkflow*
- Add the domain value *Mccld1234* to the *collateralWorkflowType* domain
- Add the domain value *Mccld1234* to the *CollateralType* domain
- Configure workflows for the workflow subtype *Mccld1234*
- » You may aggregate the collateral workflows by product and subtype. Selecting a product and subtype under the Workflow heading in the Details panel of the Clearing Member contract will process the contract through the corresponding workflow. The subtype comes from the domain value *CollateralType*.
- » The system checks for an applicable static data filter first, then it looks for the Product/Subtype designation in the Margin Call Contract.



The default Cover Distribution workflow rules are described below:

Workflow Rule	Description
CheckCalculatePricing	Returns false if everything has not been correctly priced before cover distribution. Run at that end of the CALCULATE action.
CheckCollateralEligibility	Checks that a margin call trade booked outside the cover distribution manager is valid as far as eligible currencies or securities. This rule also checks security eligibility for clearing service on a child contract. Returns false if the security or currency is not authorized.
CheckFullAllocation	Returns false if the contract is not fully allocated.  Checks both the pending allocations and the executed allocations for validationl pai

Workflow Rule	Description
CheckProcessPricing	Returns false if everything not priced correctly during processing. (liability currency vs contract currency conversion and call currency vs contract currency conversion)
CheckAvailableDeposit	Returns false if there are insufficient assets in the deposit account
CheckNoCall	Returns true if the required margin is 0.
Execute	Creates margin call trades. Returns false if no allocation is set.
ExecuteUpdate	Creates margin call trades or updates existing trades if possible. Returns false if no allocation is set.
SendNotification	Sends message with type MC_NOTIFICATION
SendStatement	Sends message with type MC_STATEMENT

### 1.5.1 General Cover Distribution Statuses

#### NONE

When first loading a contract in Cover Distribution Manager, it appears in the status NONE.

Contract Name	Status	Action
F_A_Unused Deposit	NONE	STP_PROCES
F-A	NONE	STP_PROCES
F-B Testing	NONE	STP_PROCES
F-B Testing Child 1	NONE	STP_PROCES

#### CALCULATED

Positions have been loaded and priced from underlying trades, liability and headroom has been computed.

#### PROCESSED

Cover Distribution is completed and margin calls have been generated

#### EXECUTED

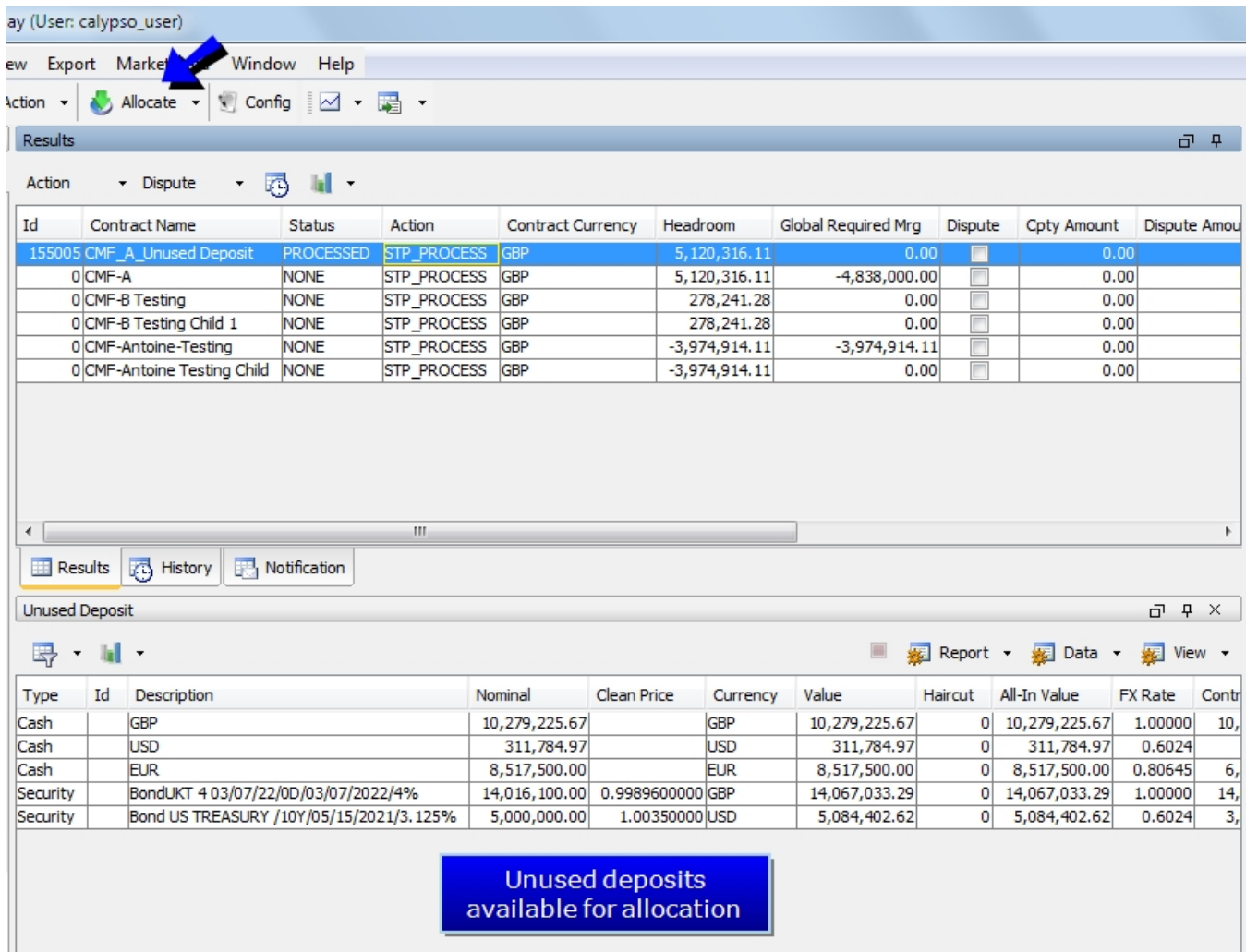
The action has been saved to the database and if necessary, trade ids have been created. The *Execute* workflow rule must be attached to any workflow which results in EXECUTED status.

## 1.6 Withdrawal and Substitution of Collateral

For Cover Distribution, the Collateral Allocation window is used to initiate a withdrawal or substitution request.

The Deposit panel displays the unused deposits on the contract. The Used Deposit panel displays the used assets which have been allocated to the liability contract. The Liability panel displays the current liabilities for the contract. The steps to initiate a withdrawal are described below.

**Step 1** - Either double-click on the Deposit contract or highlight the contract and click **Allocate** to display the Allocation window.



ay (User: calypso\_user)

ew Export Market Window Help

Action Allocate Config

Results

Action	Dispute	Id	Contract Name	Status	Action	Contract Currency	Headroom	Global Required Mrg	Dispute	Cpty Amount	Dispute Amount
155005	CMF_A_Unused Deposit	PROCESSED	STP_PROCESS	GBP	5,120,316.11	0.00		0.00			
0	CMF-A	NONE	STP_PROCESS	GBP	5,120,316.11	-4,838,000.00		0.00			
0	CMF-B Testing	NONE	STP_PROCESS	GBP	278,241.28	0.00		0.00			
0	CMF-B Testing Child 1	NONE	STP_PROCESS	GBP	278,241.28	0.00		0.00			
0	CMF-Antoine-Testing	NONE	STP_PROCESS	GBP	-3,974,914.11	-3,974,914.11		0.00			
0	CMF-Antoine Testing Child	NONE	STP_PROCESS	GBP	-3,974,914.11	0.00		0.00			

Results History Notification

Unused Deposit

Type	Id	Description	Nominal	Clean Price	Currency	Value	Haircut	All-In Value	FX Rate	Contract
Cash	GBP		10,279,225.67		GBP	10,279,225.67	0	10,279,225.67	1.00000	10,
Cash	USD		311,784.97		USD	311,784.97	0	311,784.97	0.6024	
Cash	EUR		8,517,500.00		EUR	8,517,500.00	0	8,517,500.00	0.80645	6,
Security	BondUKT 4 03/07/22/0D/03/07/2022/4%		14,016,100.00	0.9989600000	GBP	14,067,033.29	0	14,067,033.29	1.00000	14,
Security	Bond US TREASURY /10Y/05/15/2021/3.125%		5,000,000.00	1.00350000	USD	5,084,402.62	0	5,084,402.62	0.6024	3,

Unused deposits available for allocation

**Step 2** - Double-click on the unused asset. Change the direction to Pay and enter the Nominal amount to transfer.

Collateral Allocation: CMF\_A Intraday [130003SP1/lch\_project] (User: calypso\_user)

Allocation Window Util

Apply Close Optimize

Unused Deposit Position

Type	Id	Description	Nominal	Clean Price	Currency	Value	Haircut	All-In Value
Cash		GBP			GBP	10,279,225.67	0	10,279,22
Cash		USD			USD	311,784.97	0	311,78
Cash		EUR			EUR	8,517,500.00	0	8,517,50
Security		BondUKT 4 03/07/22/0D/03/07/2022/4%	14,016,100.00	0.9989600000	GBP	14,067,033.29	0	14,067,03
Security		Bond US TREASURY /10Y/05/15/2021/3.125%	5,000,000.00	1.00350000	USD	5,084,402.62	0	5,084,40

Deposit Used Deposit Liability

Allocation

Name

Description	Direction	Quantity	Nominal	Currency	Price	Accrual	Value	FX Rate
BondUKT 4 03/07/22/0D/03/07/2022/4%	Pay	10,000	1,000,000.00	GBP	99.8960000000	0.4673913	1,003,633.91	1.000

Change direction to Pay and enter Nominal amount

**Step 3** - Click Apply in the Allocation window. On the Cover Distribution Manager window, a theoretical trade is created in the lower Allocation panel of the deposit contract with a trade id of 0.

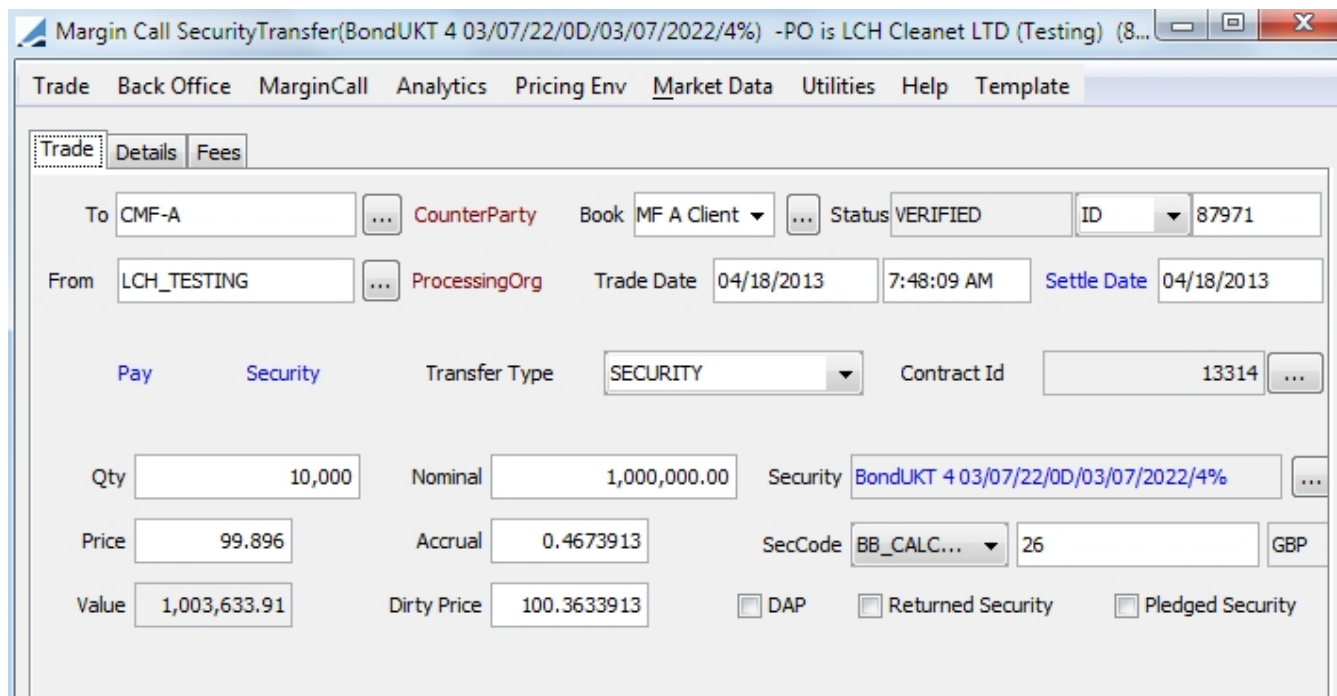
**Step 4** - When the EXECUTE action is applied on the deposit contract, the trade is saved and a trade id is created.

Allocation - default



Report Data View

Trade Id	Direction	Liability Name	Underlying	Type	Description	Value	AllInValue	Currency
		Liability Name: Contract						
87969	Receive	Contract	Cash	Cover Distribution	GBP	50,000.00	50,000.00	GBP
87970	Receive	Contract	Security	Margin	Bond US TREASURY /10Y/05/15/2021/3.125%	508,440.26	508,440.26	USD
		Liability Name: ExcessBuffer_GBP						
87971	Pay	ExcessBuffer_GBP	Security	Margin	BondUKT 4 03/07/22/0D/03/07/2022/4%	-1,003,633.91	-1,003,633.91	GBP

- » You may double-click on the trade in the Allocation panel to view the trade which shows the return of the amount of the asset to the clearing member.



- » Reload and Calculate the Deposit contract to view the reduction in the collateral by the trade amount.

Results						
Action    Dispute  						
Id	Contract Name	Status	Action	Contract Currency	Headroom	Global Required Mrg
155005	CMF_A_Unused Deposit	EXECUTED	STP_PROCESS	GBP	4,116,682.19	0.00
0	CMF-A	NONE	STP_PROCESS	GBP	4,116,682.19	0.00
0	CMF-B Testing	NONE	STP_PROCESS	GBP	278,241.28	0.00
0	CMF-B Testing Child 1	NONE	STP_PROCESS	GBP	278,241.28	0.00
0	CMF-Antoine-Testing	NONE	STP_PROCESS	GBP	-3,974,914.11	0.00
0	CMF-Antoine Testing Child	NONE	STP_PROCESS	GBP	-3,974,914.11	0.00

### 1.6.1 Withdrawing a Used Asset

If you wish to withdraw a used asset, for a security, the ISIN must be specified in the lower panel of the Allocation window. Or you may select Cash in the drop-down and specify a currency for a cash withdrawal. Choose a direction (Pay for a withdrawal) and specify an amount to be withdrawn.

After clicking Apply in the Allocation window, re-run the cover distribution process. The process will consider the withdrawal as not available and will attempt to cover the liabilities using other unused assets.

If there are sufficient unused assets to cover the remaining liabilities, then the withdrawal trade will be generated and released. If there are insufficient assets to cover, a call will be generated. The withdrawal trade will be created but it will not be released until sufficient assets are deposited. This is managed by adding the *CheckAvailableDeposit* message rule to the message workflow. This prevents the withdrawal message from being sent until the required assets are deposited.

## 1.7 COVER\_DISTRIBUTION Scheduled Task

The COVER\_DISTRIBUTION scheduled task functions in the same way as Cover Distribution Manager, but through a scheduled task. The attributes of this scheduled task are described below. To view the scheduled task window, from the Calypso Navigator, select **Configuration > Scheduled Tasks > Scheduled Tasks**.

Task Attributes	
Template	
Collateral Context	default
Price method	PRICE
Optimization	Optimization123
Type	IntraDay Distribution
Action	Load and calculate

Attribute	Description
Template	Collateral template (Same as <b>File &gt; Load Template</b> in Cover Distribution Manager)
Collateral Context	Select a Collateral Context to use for the cover distribution
Price method	Select to either Price or Reprice
Optimization	Choice of the optimization configuration (Same as Optimizer that can be selected in Cover Distribution Manager)
Type	Indicates whether an intraday or final distribution should be run. Types available for selection come from the domains <i>Collateral.CoverDistribution.Type.ScheduledTask.Intraday</i> and <i>Collateral.CoverDistribution.Type.ScheduledTask.Final</i> .
Action	<p>Corresponds to the actions of the buttons in Cover Distribution Manager with the Load button. Available actions are:</p> <ul style="list-style-type: none"> <li>Load and calculate - loads contracts from the database and loads positions of the underlying trades, prices them, computes the liability entries and the constituted margin/headroom</li> <li>Load calculate and process - same as Load and calculate but also does the cover distribution and generates the calls.</li> </ul> <p>Note: Positions are loaded</p>
Save by user action	If this is set to false, the result of the cover distribution is saved with the workflow preferred action. If it is set to true, the workflow action corresponding to the Action of the scheduled task is used (either

Attribute	Description
	Load and calculate or Load calculate and process).
	The link between Action and workflow action is defined in the workflow tab of the collateral context.

## 1.8 Accommodation Charges

Accommodation Charges are charges based on the value of allocated assets. The charge is based on the allocation amount expressed in the liability currency that the cover distribution trade is covering. The amount is expressed in the liability currency and is called Liability Value.

An Accommodation Charge trade (which functions like a simple transfer) is created for each cover distribution of the day. The principal of this trade is the Liability Value.

An Accommodation Charge trade generates two transfers. First, a transfer with the same value date / settle date of the cover distribution trade. The transfer increases the client position at the cover distribution settle date. The transfer amount is the Liability Value. The second transfer is the reversal transfer in the same amount but in the opposite direction for the T+1 business day. This action flattens out the client position on the next business day. (The calendar used must be set at the processing org level.)

The Accommodation Charge trades must be created using the ACCOMMODATION\_CHARGE scheduled task. The Accommodation Charge trade window can be viewed from the Cover Distribution Manager by selecting [Window > Trade > Accommodation Charge Trade](#).

### 1.8.1 Setup

In order to use accommodation charges, you must set up one or many master accounts. These accounts should be designated with AUTO currency account functionality to generate accounts by currency. The accounts will be automatically generated for all available liability currencies.

Accounts Definition - Authorization mode OFF Bilateral Settle / 131696 - version 0 (User: calypso\_user)

Account Utilities Reports Process Help

Account Statements Attributes Interests Limits Consolidation Translation/Revaluation Browse

Account Name AccomodationChargeCalypsoMaster ☐ Call Account

Processing Org CALYPSO Ccy AUTO Id 0

Type SETTLE ☐ Security ☒ Auto/Template Acc

External Name  Interface Rule Aggregate

Description Auto Currency Master 0.1%

Legal Entity (F2) CLIENT-A Role CounterParty

Creation Date  ☐ Create by Acc Engine only Properties/Attributes (F4)

Closing Account  Last Closing Date

Parent Account  Parent Id 0

☐ Balance

Accounts Definition - Authorization mode OFF Bilateral Settle / 131696 - version 0 ...

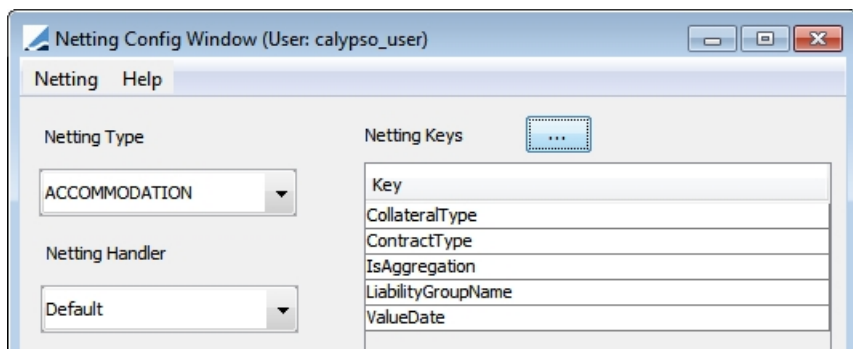
Account Utilities Reports Process Help

Account Statements Attributes Interests Limits Consolidation Translation/Revaluation Browse

Order	Attribute	Value
1	AccountProperty.AccountName	
2	Constant	
3	XferCcy	

Add Remove

You can then use inventory aggregation functionality to break down an inventory position using different netting keys which are used to define the level that is needed for reporting and calculation purposes. The Netting Configuration window is accessed through the Calypso Navigator by selecting **Configuration > Settlements > Netting**. The ACCOMMODATION netting type can be added in the *nettingType* domain. Netting keys are added in the *XferAttributes* domain.



These netting keys will populate as trade keywords in the accommodation charge trade.

### 1.8.2 Allocation Attributes

Calypso propagates additional information as allocation attributes and then propagates them at the cover distribution trade level. These allocation attributes are:

- *LiabilityValue* - The amount that needs to be propagated in order to generate the Accommodation Charge trade. This is the principal of the Accommodation Charge trade.
- *LiabilityCurrency* - This currency needs to be propagated in order to generate the Accommodation Charge trade. This is the currency of the *LiabilityValue*.

In the example below, the liability currency is GBP. The cover distribution allocation is in EUR.

The allocation contract value is 1,458,637.50 EUR, the FX rate FX.EUR.GBP is 2. The liability value is then 2,917,275 GBP.

The *LiabilityValue* and the *LiabilityCurrency* are propagated as an allocation attribute and also as a cover distribution trade keyword.

Allocation - default

Trade Id	Liability Configuration	Liability Name	Attributes.liabilityValue	Liability Currency	Underlying	Product Code
		Liability Name: 0020_EUR				
1024485	0020	0020_EUR	9,243,712.11	EUR	Security	ES000000121P3
1024484	0020	0020_EUR	7,990,732.89	EUR	Security	ES00000012932
			17,234,445.00			
		Liability Name: 0020_GBP				
1024486	0020	0020_GBP	2,917,275.00	GBP	Cash	EUR
1024487	0020	0020_GBP	21,577,703.36	GBP	Cash	USD
1024488	0020	0020_GBP	9,585,546.82	GBP	Cash	GBP
1024489	0020	0020_GBP	2,407,129.75	GBP	Security	ES000000121P3
			36,487,654.93			
		Liability Name: 0050_EUR				
1024491	0050	0050_EUR	876,453.78	EUR	Security	ES00000012932
			876,453.78			

Underlyings Allocation Details History Concentration Netted Allocation Netted Positions

Trade Attributes Window

Domain ...

Name	Value
collateralAllocationType	Cover Distribution
distributionType	Final Distribution
fxRate	1
liabilityCurrency	GBP
liabilityValue	2,917,275
optimizationCategory	EUR
-LinkedSwapID	

Allocation attributes recognized by Calypso are listed under the Collateral Context window.

### 1.8.3 Scheduled Task: Accommodation Charge Process

The interest or accommodation charge trades are generated by the ACCOMMODATION\_CHARGE scheduled task. This scheduled task can process a contract using a specific date range. This allows for running the scheduled task either on a daily basis or once a month.

Attributes	
Attribute	Value
Template	▼
Start Date	▼
End Date	▼
Allocation Filter	▼

- » You may select a template from the available cover distribution templates. This will load the clearing member configuration.
- » If the Start Date and End Date fields are empty, the scheduled task uses the value date to retrieve the cover distribution trades. This process is done on a daily basis.
- » If the Start Date and End Date fields are populated, the scheduled task uses the date range to retrieve the last cover distribution trades of each day. The process is done on the dates in the range.
- » Because there are liability configurations that will not be eligible for the accommodation charge process, these can be excluded by use of a static data filter. The filter, selected in the Allocation Filter field, can be used to specify which cover distribution trades are eligible for the process.
- » When the scheduled task is run, it generates an Accommodation Charge trade. The client transfers are then generated using a specific BOAccommodationChargeHandler by the Transfer Engine.

### 1.8.4 Accommodation Charge Trade

The Accommodation Charge trade is like a simple transfer trade. Below is an example of an Accommodation Charge trade.

AccommodationCharge ACCOMMODATION\_CHARGE(175,950.00 USD) -PO is COLT\_CALL\_PO (34592) - Version : 0 Mod User :()

Trade Back Office AccommodationCharge Analytics Pricing Env Market Data View Utilities Help

Trade Details Fees

Trade Details

To COLT\_CALL\_CP ... CounterParty Book COLT\_CALL... Status VERIFIED ID 34592

From COLT\_CALL\_PO ... ProcessingOrg Trade Date 09/23/2013 9:00:00 AM Settle Date 09/23/2013

Product Details

Pay Cash Transfer Type ACCOMMODATION\_... Linked Id 0

Cash/Security

Principal 175,950 Ccy USD

Additional Details

Reason Add Reason Date Entered 10/09/2013

Market Data Pricer Params Results

ZC USD Libor/USD(R)CLOSE 3/19/08 8:00:00.000 AM EDT

In this type of trade:

- PO of the trade is the PO of the cover distribution trade (which is the PO of the related clearing member configuration)
- Counterparty of the trade is counterparty of the cover distribution trade (which is the counterparty of the related clearing member configuration)
- Trade Transfer Type is either INTEREST\_CHARGE if the collateral type is cash or ACCOMMODATION\_CHARGE if the collateral type is non-cash
- Trade date is the cover distribution trade date (which is the process date of the cover distribution)
- Settle date is the cover distribution settle date
- Principal amount of the trade is the liability value stored as the LiabilityValue keyword (cover distribution trade keyword, set up in Collateral Context)
- Currency of trade is the currency stored as the LiabilityCurrency keyword (cover distribution trade keyword, set up in Collateral Context)

Trade Attributes Window	
Domain ...	
Name	Value
BankGuarantee	false
CollateralType	Gold
ContractType	AFB
CoverDistribution	true
DistributionType	IntraDay Distribution
LiabilityCurrency	USD
LiabilityGroupName	Category A,B and Cash
LiabilityValue	175,950
MarginCall	20714
26T	▼

Also, the following is populated at the trade keyword level:

- MarginCall - the deposit clearing member configuration Id. This is used to recapitalize interest in the margin call position. This should be set up as a netting key.
- ContractType - this is the contract type on the related clearing member configuration
- CollateralType - if the allocation underlying is cash, the CollateralType is cash. If the allocation underlying is an equity, such as gold, then the CollateralType is Gold. If the allocation underlying is a security, then the CollateralType is the product code of the security.

These are set up as [Netting Keys](#).

### 1.8.5 Accommodation Charge Product Transfers

There are two cash transfers on Accommodation Charge trades in order to keep a daily record of the used collateral contract value expressed in liability currency. The balance of this position is then used to create the interest bearing trades which carry the accommodation charge amount.

The first transfer increases the client position at the cover distribution settle date. The transfer amount is the liability value.

The second transfer is the reversal transfer in the same amount but in the opposite direction on T+1. The calendar used is set at the PO level.

The transfer types for Accommodation Charge trades with CollateralType of cash are INTEREST\_BASIS\_AMOUNT and INTEREST\_BASIS\_AMOUNT\_REVERSAL. The transfer types for a non-cash CollateralType are ACC\_BASIS\_AMOUNT and ACC\_BASIS\_AMOUNT\_REVERSAL.

Short Name	Transfer Type	Xfer Pay/Rec	Xfer Product Type	Transfer Status
	<a href="#">Transfer Type: INTEREST_BASIS_AMOUNT</a>			
	INTEREST_BASIS_AMOUNT	PAY	AccommodationCharge	VERIFIED
	<a href="#">Transfer Type: INTEREST_BASIS_AMOUNT_REVERSAL</a>			
	INTEREST_BASIS_AMOUNT_REVERSAL	RECEIVE	AccommodationCharge	VERIFIED

After the cover distribution process, the cover distribution trades will have two transfers that decrease the deposit margin call position and increase the liability contract margin call position.

After executing the ACCOMMODATION\_CHARGE scheduled task, an accommodation charge trade is generated.

Using a Settlement Delivery Instruction static data filter on the CollateralType trade keyword, enables the transfers to hit a specific account on which the appropriate interest configuration is set up.

It is then possible to use an inventory position aggregation to break down the account balance by sub-account (trade keyword ContractType) and by clearing service (trade keyword LiabilityName).

## 1.9 Cover Distribution Manager Search Criteria

Below is a description of the search criteria details in the Cover Distribution Manager.

### Search Criteria Details

Search Criteria	Description
<b>Process Date / Time</b>	
Process Date	Defaults to the current date - Effective date of the margin calls.
<b>Collateral Context</b>	
Collateral Context	Select a desired Collateral Context configuration to use for the Cover Distribution.
<b>Filter</b>	
PO Name	Select a processing organization, or leave empty for all.
LE Name	Select a counterparty, or leave empty for all.
Contract Types	Select a contract type, or leave empty for all.
Contract Groups	You may select a contract group, defined in the Collateral Context Currency Definition panel, to load contracts based on that group currency.  Note: If no group is selected, contracts with different group currencies will be loaded and there could be a mix of currencies in the <i>Remaining Mrg (Group Ccy)</i> column.
Contract Filter	Select a static data filter if desired. Note that clearing services is an available static data filter attribute.
Contract Ids	Select individual contracts, or leave empty for all.  Note: When populated, this filtering criteria overrides any other criteria. Whatever is set in this field, whether they be master contract Ids or child contract Ids, they system will load the entire "group" (master and child).
Status	Select a contract status, or leave empty for all.

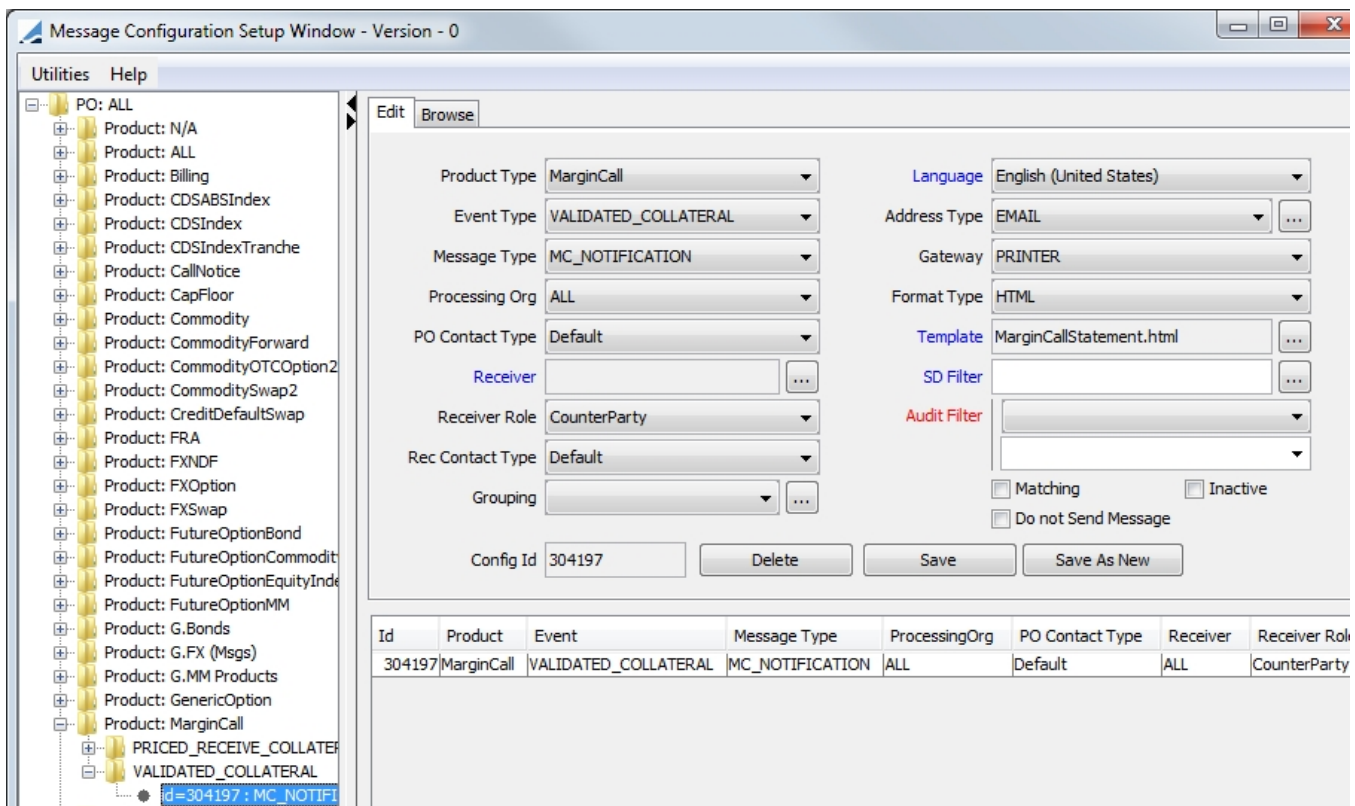
Search Criteria	Description
<b>Cover Distribution</b>	
Type	Select either Intraday Distribution or Final Distribution (end of day)
Configuration	You may select an optimization configuration from those that were created in the Collateral Optimization Configuration window. Note that the Optimization Type in the chosen configuration must be Cover Distribution.

## 1.10 Messages and Notifications

The Calypso Collateral module uses the standard Calypso messaging set up. For detailed information on this setup, please refer to the Calypso Messaging documentation.

In the following example, a message type MC\_NOTIFICATION is sent when status VALIDATED is reached.

Note in this example, the *EventType* domain must be updated to reflect the status name, *STATUS\_COLLATERAL*. (In the example below, VALIDATED\_COLLATERAL.)



Id	Product	Event	Message Type	ProcessingOrg	PO Contact Type	Receiver	Receiver Role
304197	MarginCall	VALIDATED_COLLATERAL	MC_NOTIFICATION	ALL	Default	ALL	CounterParty

### 1.10.1 Workflow rule

An alternate way to generate a back office message is using one of the following workflow rules:

- SendNotification - Send a message with type MC\_NOTIFICATION
- SendStatement - Send a message with type MC\_STATEMENT

If you choose to generate messages in this manner, the *EventType* domain name is based on action instead of status, *ACTION\_COLLATERAL*.

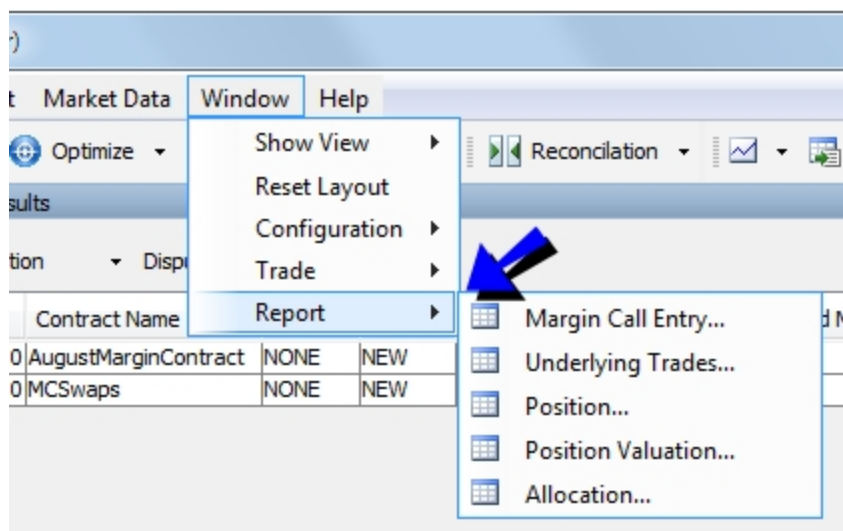
### 1.10.2 Notification Status

Notification statuses are listed under the domain value *MarginCall.NotificationStatus*. The Notification Status column may be updated manually or by using the following message workflow rule in calypso.

- UpdateMarginCallEntryMessageRule - Updates the Margin Call Entry Notification status.

## 1.11 Collateral Reports

There are five stand-alone reports available for generation through Collateral Manager. The five reports are compatible with the REPORT scheduled task. To select the desired report, select **Window > Report**. These reports are currently only available through the Collateral Manager window.



The available options are:

- Margin Call Entry (report type MarginCallEntry) - This is a report of all of the changes that have been made to the contracts

MarginCallEntry Report (4/16/13 4:09:20 PM) (User: calypso\_user)

Report Data View Export Market Data Utilities Help

Criteria

Id	Contract	Currency	Global Required Mrg	Cpty Amount	Agreed Amount	Status	Direction	Base Currency	Collateral Value	Excess Buffer	Excess Collateral	Headroom
119516	GBP		0.00	0.00	0.00	EXECUTED	Pay	GBP	0.00	0.00	0.00	44,212,420.83
153001	GBP		0.00	0.00	0.00	PROCESSED	Pay	GBP	0.00	-50,000.00	76,932,418.50	-12,012,814.69
132516	GBP		-4,838,000.00	0.00	0.00	PROCESSED	Pay	GBP	0.00	-50,000.00	78,255,814.26	-12,448,011.65
154001	GBP		-4,838,000.00	0.00	0.00	PRE_EXECUTE	Pay	GBP	0.00	-2,000.00	-34,184,113.49	-12,010,950.23
153501	GBP		-4,838,000.00	0.00	0.00	CALCULATED	Pay	GBP	0.00	-2,000.00	-34,184,113.49	-12,011,571.72
119515	GBP		0.00	0.00	0.00	EXECUTED	Pay	GBP	0.00	0.00	0.00	0.00
154501	GBP		-4,838,000.00	0.00	0.00	EXECUTED	Pay	GBP	0.00	-2,000.00	-34,184,113.49	-12,008,464.31
132517	GBP		0.00	0.00	0.00	PROCESSED	Pay	GBP	0.00	0.00	-35,067,600.18	-12,448,011.65
106011	GBP		0.00	0.00	0.00	EXECUTED	Pay	GBP	0.00	0.00	0.00	0.00
106028	GBP		0.01	0.00	0.00	EXECUTED	Receive	GBP	0.00	0.00	0.00	0.00
116019	GBP		-8,280,036.63	0.00	0.00	PRICING	Pay	GBP	0.00	0.00	0.00	6,496,000.48
106027	GBP		0.00	0.00	0.00	EXECUTED	Pay	GBP	0.00	0.00	0.00	0.00
116018	GBP		0.00	0.00	0.00	PRICING	Pay	GBP	0.00	0.00	0.00	0.00
111001	GBP		0.00	0.00	0.00	NONE	Pay	GBP	0.00	0.00	0.00	0.00
112003	GBP		-0.00	0.00	0.00	NONE	Pay	GBP	0.00	0.00	0.00	0.00
109010	GBP		0.00	0.00	0.00	EXECUTED	Pay	GBP	0.00	0.00	0.00	0.00
109018	GBP		0.00	0.00	0.00	NONE	Pay	GBP	0.00	0.00	0.00	0.00
113501	GBP		-79,944,226.46	0.00	0.00	NONE	Pay	GBP	0.00	0.00	0.00	0.00

Using Empty template Pricing Details: 4/16/13 4:09:20 PM PDT

- Underlying Trades (report type MarginCallDetailEntry) - This report displays all of the underlying trades for the selected contracts.

MarginCallDetailEntry Report (4/16/13 4:04:34 PM) (User: calypso\_user)

Report Data View Export Market Data Utilities Help

Criteria

Trade Id	Product Type	Description	Trade Date	Settle Date	End Date	Currency	Initial Value	FX Rate	NPV	Independent Amo...	Net Balance
1	CFDDirectional	CMF-A/CFDDirectional/Equity.GM/49801	2/24/13 2:15:38.000 PM PST	02/27/2013		USD	-10,000.00	1.612	-388,500.00	0.00	-388,500.00
1	CFDDirectional	CMF-A/CFDDirectional/Equity.GM/49801	2/14/13 12:00:00.000 PM PST	02/19/2013		USD	-10,000.00	1.612	-388,500.00	0.00	-388,500.01
5431	CollateralExposure	CollateralExposureCVM/GBP/12/06/2012/OPEN	12/5/12 5:19:29.000 PM PST	12/06/2012		GBP	50,000,000.00	1	0.00	0.00	-5,165,000.00
5432	CollateralExposure	CollateralExposureCVM/USD/12/06/2012/OPEN	12/5/12 5:19:29.000 PM PST	12/06/2012		USD	2,000,000.00	0.625	0.00	0.00	-2,500,039.56
5433	CollateralExposure	CollateralExposureCVM/GBP/12/06/2012/OPEN	12/5/12 5:19:29.000 PM PST	12/06/2012		GBP	1,000,000.00	1	0.00	0.00	-3,752,000.00
5938	CollateralExposure	CollateralExposureInitial Margin/GBP/12/05/2012/OPEN	12/3/12 5:40:31.000 PM PST	12/05/2012		GBP	0.00	1	0.00	0.00	-2,120,000.00
5939	CollateralExposure	CollateralExposureCVM/EUR/12/13/2012/OPEN	12/12/12 5:40:31.000 PM PST	12/13/2012		EUR	0.00	0.5	0.00	0.00	-737,524.26
6451	CollateralExposure	CollateralExposureCVM/USD/12/10/2012/OPEN	12/10/12 3:11:25.000 PM PST	12/10/2012		USD	0.00	0.6097560975...			-15,000,000.00
6451	CollateralExposure	CollateralExposureInitial Margin/EUR/12/10/2012/OPEN	12/10/12 3:11:25.000 PM PST	12/10/2012		EUR	0.00	1	0.00	0.00	-5,000,000.00
6451	CollateralExposure	CollateralExposureCVM/USD/12/10/2012/OPEN	12/10/12 3:11:25.000 PM PST	12/10/2012		USD	0.00	0.6097560975...			-2,000,000.00
6455	CollateralExposure	CollateralExposureInitial Margin/GBP/12/11/2012/OPEN	12/10/12 4:09:14.000 PM PST	12/11/2012		GBP	0.00	1			-555,555.555
6455	CollateralExposure	CollateralExposureInitial Margin/GBP/12/11/2012/OPEN	12/10/12 4:09:14.000 PM PST	12/11/2012		GBP	0.00	0.6097560975...			-1,000,000.00
6934	CollateralExposure	CollateralExposureInitial Margin/USD/12/11/2012/OPEN	12/10/12 4:09:14.000 PM PST	12/11/2012		USD	0.00	0.6097560975...			-5,000,000.00
6934	CollateralExposure	CollateralExposureInitial Margin/USD/12/11/2012/OPEN	12/10/12 4:09:14.000 PM PST	12/11/2012		USD	0.00	0.6097560975...			-5,000,000.00
7435	CollateralExposure	CollateralExposureInitial Margin/GBP/12/11/2012/OPEN	12/10/12 4:09:14.000 PM PST	12/11/2012		GBP	0.00	1			-6,000,000.00
7435	CollateralExposure	CollateralExposureInitial Margin/GBP/12/11/2012/OPEN	12/10/12 4:09:14.000 PM PST	12/11/2012		GBP	0.00	1			-6,000,000.00
8430	CollateralExposure	CollateralExposureInitial Margin/USD/12/12/2012/OPEN	12/11/12 10:44:49.000 AM PST	12/12/2012		USD	0.00	0.625	0.00	0.00	-2,068,782.74
9431	CollateralExposure	CollateralExposureCVM/EUR/12/21/2012/OPEN	12/21/12 12:45:54.000 PM PST	12/21/2012		EUR	0.00	0.8641975308...			-125,000.00
9451	CollateralExposure	CollateralExposureInitial Margin/USD/12/21/2012/OPEN	12/21/12 12:35:39.000 PM PST	12/21/2012		USD	0.00	0.6172839506...			-67,800.00
9452	CollateralExposure	CollateralExposureInitial Margin/USD/12/21/2012/OPEN	12/21/12 12:35:39.000 PM PST	12/21/2012		USD	0.00	0.6172839506...			-3,333,333.00
9465	CollateralExposure	CollateralExposureCVM/EUR/12/21/2012/OPEN	12/21/12 1:35:46.000 PM PST	12/21/2012		EUR	0.00	0.8641975308...			-45,000.00

Load completed successfully Pricing Details: 4/16/13 4:04:34 PM PDT

- Position (report type MarginCallPositionEntry) - The Position report displays collateral positions held across the contracts as of the collateral distribution date.

MarginCallPositionEntry Report (4/16/13 4:00:59 PM) (User: calypso\_user)

Report Data View Export Market Data Utilities Help

Criteria

Type	Id	Description	Nominal	Clean Price	Currency	Value	Haircut	All-In Value	FX Rate	Contract Value	Next Coupon
Cash		GBP	-36,215,107.14		GBP	-36,215,107.14	0	-36,215,107.14	1.00000	-36,215,107.14	
Cash		USD	-9,793,940.74		USD	-9,793,940.74	0	-9,793,940.74	0.6024	-5,899,964.30	
Cash		EUR	-2,258,750.00		EUR	-2,258,750.00	0	-2,258,750.00	0.80645	-1,821,572.58	
Cash		GBP	-36,215,107.14		GBP	-36,215,107.14	0	-36,215,107.14	1.00000	-36,215,107.14	
Cash		USD	-9,793,940.74		USD	-9,793,940.74	0	-9,793,940.74	0.6024	-5,899,964.30	
Cash		EUR	-2,258,750.00		EUR	-2,258,750.00	0	-2,258,750.00	0.80645	-1,821,572.58	
Security		BondUKT 4 03/07/22/0D/03/07/2022/4%	-9,016,200.00	0.9989600000	GBP	-9,047,004.04	0	-9,047,004.04	1.00000	-9,047,004.04	09/09/2013
Security		Bond US TREASURY /10Y/05/15/2021/3.125%	-3,000,000.00	1.00350000	USD	-3,050,123.62	0	-3,050,123.62	0.6024	-1,837,423.87	05/15/2013
Security		BondUKT 4 03/07/22/0D/03/07/2022/4%	984,000.00	0.9989600000	GBP	987,361.86	0	987,361.86	1.00000	987,361.86	09/09/2013
Security		BondUKT 4 03/07/22/0D/03/07/2022/4%	-9,016,200.00	0.9989600000	GBP	-9,047,004.04	0	-9,047,004.04	1.00000	-9,047,004.04	09/09/2013
Security		Bond US TREASURY /10Y/05/15/2021/3.125%	-3,000,000.00	1.00350000	USD	-3,050,123.62	0	-3,050,123.62	0.6024	-1,837,423.87	05/15/2013

- Position Valuation (report type MarginCallPositionValuation) This report displays the margin call positions and their MTM valuation as of the report date.

MarginCallPositionValuation Report (4/16/13 3:34:55 PM) (User: calypso\_user)

Report Data View Export Market Data Utilities Help

Criteria

Type	Id	Description	Nominal	Clean Price	Currency	Value	Haircut	All-In Value	FX Rate	Contract Value	Next Coupon Date
Cash		USD	4,000,000.00		USD	4,000,000.00	0	4,000,000.00	0.6024	2,409,666.96	
Cash		GBP	1,000,000.00		GBP	1,000,000.00	0	1,000,000.00	1.00000	1,000,000.00	
Security		BondUST/30Y/11/15/2028/5.25%	1,000,000.00	0.00	USD	0.00	0	0.00	0.0000	0.00	05/15/2013
Security		BondUKT 3 3/4 09/07/20/0D/09/07/2020/3.75%	1,000,000.00	1.0000000000	GBP	1,004,177.99	0	1,004,177.99	1.00000	1,004,177.99	09/09/2013
Security		BondUKT 8 06/07/21/0D/06/07/2021/8%	1,000,000.00	1.0000000000	GBP	1,028,791.21	0	1,028,791.21	1.00000	1,028,791.21	06/07/2013
Cash		GBP	-10,000,000.00		GBP	-10,000,000.00	0	-10,000,000.00	1.00000	-10,000,000.00	
Security		BondUKT 4 03/07/22/0D/03/07/2022/4%	-100,950,100.00	0.9989600000	GBP	-101,294,998.21	0	-101,294,998.21	1.00000	-101,294,998.21	09/09/2013
Cash		USD	100,000.00		USD	100,000.00	0	100,000.00	1.00000	100,000.00	
Cash		GBP	5,391,225.67		GBP	5,391,225.67	0	5,391,225.67	1.00000	5,391,225.67	
Cash		USD	311,784.97		USD	311,784.97	0	311,784.97	0.6024	187,824.49	
Cash		EUR	8,517,500.00		EUR	8,517,500.00	0	8,517,500.00	0.80645	6,869,089.88	
Security		Bond US TREASURY /10Y/05/15/2021/3.125%	4,500,000.00	1.00350000	USD	4,575,185.43	0	4,575,185.43	0.6024	2,756,168.29	05/15/2013
Security		BondUKT 4 03/07/22/0D/03/07/2022/4%	15,000,200.00	0.9989600000	GBP	15,051,448.51	0	15,051,448.51	1.00000	15,051,448.51	09/09/2013
Cash		GBP	610,000,000.00		GBP	610,000,000.00	0	610,000,000.00	1.00000	610,000,000.00	
Security		BondUKT 4 03/07/22/0D/03/07/2022/4%	100,950,100.00	0.9989600000	GBP	101,294,998.21	0	101,294,998.21	1.00000	101,294,998.21	09/09/2013
Cash		GBP	100,000.00		GBP	100,000.00	0	100,000.00	1.00000	100,000.00	
Cash		GBP	23,299,600.83		GBP	23,299,600.83	0	23,299,600.83	1.00000	23,299,600.83	
Security		BondUKT 4 03/07/22/0D/03/07/2022/4%	5,000,000.00	0.9989600000	GBP	5,017,082.61	0	5,017,082.61	1.00000	5,017,082.61	09/09/2013
Cash		GBP	-5,391,225.67		GBP	-5,391,225.67	0	-5,391,225.67	1.00000	-5,391,225.67	
Cash		USD	-311,784.97		USD	-311,784.97	0	-311,784.97	0.6024	-187,824.49	
Cash		EUR	-8,517,500.00		EUR	-8,517,500.00	0	-8,517,500.00	0.80645	-6,869,089.88	
Security		Bond US TREASURY /10Y/05/15/2021/3.125%	-4,500,000.00	1.00350000	USD	-4,575,185.43	0	-4,575,185.43	0.6024	-2,756,168.29	05/15/2013
Security		BondUKT 4 03/07/22/0D/03/07/2022/4%	-15,000,200.00	0.9989600000	GBP	-15,051,448.51	0	-15,051,448.51	1.00000	-15,051,448.51	09/09/2013
Security		Bond US TREASURY /30Y/05/15/2041/4.375%	-66,600.00	0.0000000000	USD	0.00	0	0.00	0.0000	0.00	05/15/2013
Cash		GBP	10,000,000.00		GBP	10,000,000.00	0	10,000,000.00	1.00000	10,000,000.00	
Security		BondT 10 3/8 11/15/12/30Y/11/15/2012/10.375%	5,000,000.00	0.0000000000	USD	0.00	0	0.00	0.6024	0.00	

Pricing Details: 4/16/13 3:34:55 PM PDT

- Allocation (report type MarginCallAllocationEntry) - This displays the allocations made for the contracts.

MarginCallAllocationEntry Report (4/16/13 3:26:27 PM) (User: calypso\_user)

Report Data View Export Market Data Utilities Help

Criteria

Direction	Underlying	Type	Description	Value	AllInValue	Currency	FX Rate	Contract Currency	Contract Value	Trade Date	Settle
Receive	Cash	Cover Distribution	GBP	2,000.00	2,000.00	GBP	1.00000	GBP	2,000.00	04/16/2013	04/16/2
Receive	Cash	Cover Distribution	USD	39,540.34	39,540.34	USD	0.6024	GBP	23,819.48	04/16/2013	04/16/2
Receive	Cash	Cover Distribution	EUR	8,517,500.00	8,517,500.00	EUR	0.80645	GBP	6,868,951.61	04/16/2013	04/16/2
Receive	Cash	Remaining	GBP	4,838,000.00	4,838,000.00	GBP	1.00000	GBP	4,838,000.00	04/16/2013	04/16/2
Receive	Cash	Cover Distribution Recall	EUR	2,258,750.00	2,258,750.00	EUR	0.80645	GBP	1,821,572.58	04/16/2013	04/16/2
Receive	Cash	Cover Distribution Recall	USD	9,793,940.74	9,793,940.74	USD	0.6024	GBP	5,899,964.30	04/16/2013	04/16/2
Receive	Cash	Cover Distribution Recall	GBP	36,215,107.14	36,215,107.14	GBP	1.00000	GBP	36,215,107.14	04/16/2013	04/16/2
Receive	Security	Cover Distribution Recall	Bond US TREASURY /10Y/05/15/2021/3.125%	3,050,123.62	3,050,123.62	USD	0.6024	GBP	1,837,423.87	04/16/2013	04/16/2
Receive	Security	Cover Distribution Recall	BondUKT 4 03/07/22/0D/03/07/2022/4%	9,047,004.04	9,047,004.04	GBP	1.00000	GBP	9,047,004.04	04/16/2013	04/16/2
Receive	Liability	Cover Distribution	CollateralExposureCVM/GBP/01/04/2013/OPEN	78,000.00	78,000.00	GBP	1.00000	GBP	78,000.00	04/16/2013	04/16/2
Receive	Security	Cover Distribution	Bond US TREASURY /10Y/05/15/2021/3.125%	330,340.00	330,340.00	USD	0.6024	GBP	199,000.00	04/16/2013	04/16/2
Receive	Cash	Cover Distribution	USD	272,244.63	272,244.63	USD	0.6024	GBP	164,002.79	04/16/2013	04/16/2
Receive	Security	Cover Distribution	Bond US TREASURY /10Y/05/15/2021/3.125%	4,244,755.37	4,244,755.37	USD	0.6024	GBP	2,557,081.55	04/16/2013	04/16/2
Receive	Cash	Cover Distribution	GBP	5,389,225.67	5,389,225.67	GBP	1.00000	GBP	5,389,225.67	04/16/2013	04/16/2
Receive	Security	Cover Distribution	BondUKT 4 03/07/22/0D/03/07/2022/4%	1,243,032.39	1,243,032.39	GBP	1.00000	GBP	1,243,032.39	04/16/2013	04/16/2
Receive	Security	Cover Distribution	BondUKT 4 03/07/22/0D/03/07/2022/4%	12,821,000.00	12,821,000.00	GBP	1.00000	GBP	12,821,000.00	04/16/2013	04/16/2

When a Collateral report is generated, it queries the database based on the designated criteria.

## 1.12 Generating a Margin Call Statement

When a margin call is saved, the system can generate a statement provided a message configuration has been setup. You also need to select the Send Statement checkbox in the Dates & Times panel of the margin call contract.

First, you need to add the value MC\_STATEMENT to the messageType domain.

Then, define a message configuration for this message type using **Configuration > Messages & Matching > Message Configuration Set-up** (menu action `refdata.AdviceSetupWindow`) as shown below.

EditBrowse

Product TypeMarginCall

Event TypeSTATEMENT

Message TypeMC\_STATEMENT

Processing OrgALL

PO Contact TypeDefault

ReceiverALL

Receiver RoleCounterParty

Rec Contact TypeDefault

Grouping

Config Id2801

Delete

Save

Update

LanguageEnglish

Address TypeMAIL

GatewayPRINTER

Format TypeHTML

TemplateMarginCallStatement.html

SD Filter

Matching

Do not Send Message

Inactive

Id	Product	Event	Message Type	ProcessingOrg	PO Contact Type	Receiver	Receiver Role	Rec Contact Typ
2801	MarginCall	STATEMENT	MC_STATEMENT	ALL	Default	ALL	CounterParty	Default

Margin call statements will appear in the Task Station under the Messages panel as well as in the Message report. You can double-click the message to view the actual statement.

Note that this statement uses a default template, and that this template can be customized as applicable. See [Help > Message Template Keyword](#) for information on customizing message templates.

## CALYPSO

4/3/12 3:28:18 PM

### Delivery Notice

<b>To:</b>	asdf asdf asdf	<b>From:</b>	asdf asdf asdf
<b>Company:</b>	CounterParty (1) for Performance Testing	<b>Company:</b>	Processing Org for Performance Testing
<b>Phone:</b>	123	<b>Phone:</b>	123
<b>Fax:</b>	123	<b>Fax:</b>	123
<b>E-Mail:</b>	asdf	<b>E-Mail:</b>	asdf

### Summary

<b>Margin Interest:</b>	21,444,067,946.15 EUR
<b>Constituted Margin:</b>	860,774,722,540.62 EUR
<b>Cash Movement:</b>	882,218,790,486.77 EUR
<b>Cash Margin:</b>	860,774,722,540.62 EUR
<b>Security Margin:</b>	0.00 EUR
<b>Opening Balance:</b>	-860,475,643,792.66 EUR
<b>Closing Balance:</b>	21,743,146,694.11 EUR

### Previous Constituted Margin

Type	Id	Description	Nominal	Clean Price	Currency	Value	Haircut	All-In Value	FX Rate	Contract Value	Next Coupon Da
Cash		EUR	-688,023,001.38		EUR	-688,023,001.38	5	-655,260,001.31	1.00000	-655,260,001.31	
Cash		USD	-1,262,919,017,009.94		USD	-1,262,919,017,009.94	5	-1,202,780,016,199.94	0.7143	-859,128,582,999.96	
Security		BondPerformanceTestingBond8/50Y/02/12/2042/8.25%	-400,000,000.00	0.88	USD	-383,625,000.00	0	-383,625,000.00	0.7143	-274,017,857.14	04/25/2012
Security		BondPerformanceTestingBond4/50Y/02/12/2042/8.25%	-200,000,000.00	0.88	USD	-191,812,500.00	0	-191,812,500.00	0.7143	-137,008,928.57	04/25/2012
Security		BondUST/30Y/11/15/2028/5.25%	-10,503,000.00	0.88	USD	-9,458,607.94	0	-9,458,607.94	0.7143	-6,756,148.53	05/15/2012
Security		BondPerformanceTestingBond10/50Y/02/12/2042/8.25%	-300,000,000.00	0.88	USD	-287,718,750.00	0	-287,718,750.00	0.7143	-205,513,392.86	04/25/2012
Security		BondPerformanceTestingBond9/50Y/02/12/2042/8.25%	-100,000,000.00	0.88	USD	-95,906,250.00	0	-95,906,250.00	0.7143	-68,504,464.29	04/25/2012

- » Any column available in the Margin Call Entry Report can be included in a statement using the following pattern:  
|REPORT#NameOfColumn|  
(An example of this is in the default statement in CollateralStatement.html)
- » For summaries (Interest, Allocations, Positions, Underlyings), you are able to use the report template directly. An example of the format for an Allocation summary is:  
|ALLOCATIONS#NameOfReportTemplate|
- » If a report template is not set or does not exist, the system uses the one defined in the Collateral Context.